



The 2009 Massachusetts Employer Health Insurance Survey Field Report

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Background

Since 2000, there has been a great deal of change in the health insurance landscape within the state of Massachusetts as well as within the United States as a whole. Health care costs and health insurance costs have risen steadily and dramatically putting a strain on many individuals, families, employers who offer health insurance to their employees and even the state government. In addition, Massachusetts passed a landmark health insurance initiative in 2006 making it mandatory for all state residents to have health insurance. The state created a Commonwealth Connector to assist people with getting affordable health insurance. Throughout this time of great change, the need for information on what is happening within the state was and still is of critical importance. Only current and accurate information can provide policy makers with the needed information to address the myriad complex problems associated with this issue. This is certainly true when considering employers within the state, who still are the source of health insurance coverage for the majority of Massachusetts residents.

With this as a backdrop and with funding from a Health Research Services Administration (HRSA) grant, the Division of Health Care Finance and Policy (DHCFP) decided to get information directly from employers. The Center for Survey Research of the University of Massachusetts-Boston (CSR) was originally contacted by DHCFP in late 2000 about conducting an employer survey in 2001. The purpose of this survey was to gather information directly from employers about whether they do or do not offer health insurance to their employees, which employees do or do not qualify for this insurance, characteristics of the insurance offered, reasons for not offering insurance, and in general, what is the current overall picture of employer based health insurance in Massachusetts. Over 1000 interviews were conducted in this original employer survey and much was learned. In the spring of 2003, DHCFP decided to conduct a similar survey of employers in the health and human services sector. Employers in this sector are believed to be among those who face the most difficulties in offering quality health insurance to employees due to the nature of their businesses and the characteristics of their employees. Almost 600 interviews were conducted in this survey and much was learned about this specific sector of industry.

In the summer and fall of 2003 based upon the success of these earlier surveys, DHCFP decided to conduct a second statewide survey of employers in Massachusetts. Much had happened in Massachusetts between 2001, the date of the original employer survey, and 2003. The economy lagged, health insurance costs rose, and unemployment increased. All of these factors could have a potential negative effect on employers in regards to offering quality health insurance to employees. The 2003 employer survey replicated the efforts of 2001 and using 2001 data as a benchmark, determined how the landscape of employer offered health insurance had changed over the two year period. The survey was then replicated in 2005 and again in 2007 to keep track of the changing climate within Massachusetts.

Since, once again much has changed in the health insurance landscape in Massachusetts between 2007 and 2009, including the onset of the state initiative for mandatory health insurance, it was decided to investigate how the employer side of the picture once again may have changed.

Therefore, the 2009 Massachusetts Employer Health Insurance Survey was conducted and it replicated the efforts of 2001, 2003, 2005 and 2007. This created the ability to describe the current status of employer based health insurance, and also to study trends across the early 21st century by utilizing data from all five surveys. This report will describe the design and results of data collection efforts for the 2009 survey. Analytic results and contrasts to previous results will be provided in additional reports from DHCFP.

Design of the Survey

Questionnaire Design

The questionnaire used in this survey was strongly based upon the ones used in the 2001, 2003, 2005 and 2007 employer surveys. This was considered essential since a comparison of results to these earlier surveys was a crucial element of the current survey. The 2007 questionnaire did become longer and more complex for 2009. A number of detailed questions were added concerning health reimbursement arrangements (HRAs) and other types of health insurance plans. This was considered necessary due to the increasing complexity of the employer based health insurance marketplace. The fact that the questionnaire was longer and more complex was a concern. Business surveys frequently get response rates below 50% (except for government sponsored surveys conducted by the Census Bureau), and often can even fall below 40%. Keeping a questionnaire short and focused on questions that respondents can answer with a minimum of effort is generally considered critical to obtaining higher survey response rates.

The desire for increased detail ran contrary to the past goals of attempting to have a short questionnaire with questions people could more easily answer. Additional questions added to the 2009 questionnaire included:

- Questions concerning health reimbursement arrangements (HRAs)
- Questions concerning health savings accounts (HSAs)
- Questions concerning tiered provider networks
- Questions concerning high deductible plans, and
- Questions about the minimal creditable coverage that is now mandated by the state.

Response rates to the previous Employer Health Insurance Surveys in Massachusetts were always over 55% and were generally over 60%. It was hoped that the changes made in 2009 would not adversely affect the expected response rate as these modifications would require most survey respondents to do a more in-depth record check. The potential repercussions of this will be discussed later. After these changes were agreed upon, the questionnaire was finalized for use with the study.

Sample Design

The sample for this survey was purchased from listings kept by Dun & Bradstreet. This business organization keeps detailed up to date records on all employers in the United States. For the 2001, 2003, 2005 and 2007 employer surveys, the sample for this survey was drawn from all employers in Massachusetts with the following two exceptions:

1. Self-employed people were not eligible for the survey
2. Federal and State government employers were not eligible.

The reason for self-employed people not being eligible is that employer based health insurance, in this instance, is simply personal health insurance since there is only one employee. The reason for not considering federal and state government employers was that the health insurance offerings of these employers are known and available through public records. It should be stated that state colleges and universities and federal post offices were included in the sample as these employers act more like private employers than typical federal and state agencies.

There was a significant change to the sample design in 2009. For this year, not only were self-employed people excluded from the survey, but also any employer that had only two employees were excluded. This change was made to make the Massachusetts survey more in-line with some other national survey efforts.

Another sample design feature that was retained from previous surveys is very important to discuss. For the employer surveys, the worksite was designated as the primary sampling unit. The worksite is defined as a particular site or location. This could be a single store, office or factory or it could be an office complex, group of buildings, or a campus. It is whatever is joined together at a particular location to form a site for a particular business. For example, each CVS drugstore or each McDonald's restaurant is its' own worksite. Likewise, the General Electric facility in Lynn, Massachusetts is a distinct worksite from the General Electric facility in Springfield, Massachusetts.

It was decided in 2001 that this survey must be conducted at the worksite level for two primary reasons:

1. It is not known in advance if worksites within a larger corporation are free to make their own decisions about health insurance offerings or if such decisions are mandated from corporate headquarters.
2. Since specific questions are asked about each individual worksite, such as the number and demographic profile of employees at the worksite, it is very important to talk to someone at a specific worksite in order to get accurate information about the worksite.

The Dun and Bradstreet business database contains information at a worksite level. Again, this design feature is exactly the same as in the previous employer surveys.

For the 2009 survey, a stratification scheme was employed with the following strata:

- Stratum 1: employers with 3-10 employees
- Stratum 2: employers with 11-24 employees
- Stratum 3: employers with 25-50 employees
- Stratum 4: employers with 51-249 employees
- Stratum 5: employers with 250 or more employees.

This scheme was the same stratification scheme used in 2005 and 2007 with two exceptions: 1) two-person employers were no longer eligible, and 2) 10-person employers were moved from stratum 2 into stratum 1 in order to allow for analysis tracking employers by requirements implemented under the state's health reform law that impact employers with 11 or more FTEs.

The necessity for this stratification is seen in Table 1. This is a table of worksites that match the eligibility criteria within the Dun and Bradstreet database.

Table 1:
Eligible Worksites in Massachusetts by Stratum

Stratum	Total Number of Worksites	Worksites Selected for the Sample
3 - 10 employees	102,079	700
11-24 employees	21,183	320
25 – 50 employees	12,855	320
51 - 249 employees	7,555	350
250 or more employees	1,176	250
Total	144,848	1,940

This table demonstrates there are more than 100 times the number of employers in Massachusetts with 3-10 employees as compared with employers with 250 or more employees. But, the larger employers may actually employ a greater number of total employees within the state. This discrepancy must be addressed in any reasonable sample design. One interesting fact of note is that in each survey iteration between 2001 and 2007, the number of worksites listed in the Dun & Bradstreet database increased within each survey stratum. However, in 2009, the number of worksites decreased within each stratum. This is likely due to the strong recession which began in Massachusetts and in all of the U.S. in the fall of 2008. It is one quick way to truly see the effects of such a recession.

As Table 1 indicates, the proportion of worksites selected for the sample increased by estimated size of the worksite going from a low of 0.68% (700/102,079) of the worksites with 3-10 employees to a high of 21.26% (250/1,176) of the worksites with 250 employees or more. This design allowed for an examination of employers by size and yet still allowed for an investigation of all employers on a statewide level. For analysis, it is obvious that data must be weighted due to the differences in probabilities of selection across the strata. These weights are provided on all final data files.

Data Collection Design

Learning from the experiences of the earlier employer surveys, the following data collection design was adopted. Since it was known that finding the specific name of one person at each sample worksite who knew the most about health insurance offerings at that worksite was a crucial element to the success of the survey, it was decided to call worksites to get these names in advance.

On February 10, 2009, all sample worksites began to be called by CSR interviewers in an attempt to both find the name of the person who knew the most about health insurance at the worksite and then confirm that person's exact mailing address, telephone number and email address. The purpose of this effort was to be able to mail survey materials directly to the correct person. In addition, interviewers could confirm that the worksite was still an operational business and had at least three employees.

Once this effort was complete, an initial mailing to sample worksites was conducted. If specific names were obtained, then the mailing went directly to that person. If not, the mailing went to the worksite addressed to a generic "personnel manager". The initial mailing consisted of:

1. a copy of the questionnaire,
2. an introductory letter from CSR,
3. a letter from DHCFP
4. a postage paid return envelope, and
5. a \$10 bill.

It was learned from the previous employer surveys that a \$10 gratuity paid in advance to respondents significantly increased response rates and primarily paid for itself by reducing the effort expended to get people to respond. The initial mailing to all sample worksites was conducted on April 7, 2009.

One week later, a reminder postcard was sent to all sample members asking them to please return the questionnaire if they had not already done so. Two weeks after this postcard was mailed, a second copy of the survey materials was mailed to all sample members who had not yet responded. The only exception was that no additional payment was included. Finally, about two weeks after this second mailing of survey materials, on May 12, 2009, all sample worksites who had not yet responded were sent back into the telephone facility to be called by CSR interviewers. The purpose of these calls was not to conduct the interview, but to simply ask the respondent if they could please

return the questionnaire. Additional mailings of the questionnaire were arranged for any respondent who requested a copy. During the reminder calls, it was decided to ask two simple questions of each respondent. These questions were the number of employees at the site and whether or not the employer offered health insurance to employees. In this way, this basic information would be known even if a questionnaire was not returned.

One change in the data collection design initiated in 2009 was offering respondents the opportunity to complete the survey on-line instead of mailing back a paper questionnaire. This change was made in keeping with current survey methodology practices of offering respondents options which may increase the percentage who then respond. The introductory letter mailed from CSR to respondents listed a website to go to as well as a unique code to enter to identify themselves. For people for whom we had an email address, we also sent an email reminder to them which contained a link to the website. It was hoped that by increasing the mode options for survey response, that it may somewhat help with the increased length of the questionnaire.

Data Collection Results

As described earlier, the initial stage of data collection involved calling all 1,940 sample employers to determine if they were still in business and had more than two employees. Table 2 details the result of this effort.

Table 2:
Results of Screening for Eligibility

Stratum	Successfully Screened ¹	Unable to Locate ²	Not Eligible ³	Screening Refusal ⁴	Screening Limit ⁵	Total
3-10 employees	443	92	54	57	54	700
11-24 employees	258	29	15	11	7	320
25-50 employees	271	19	9	12	9	320
51-249 employees	295	14	10	21	10	350
250 or more employees	213	10	5	20	2	250
Total	1,480	164	93	121	82	1,940

¹ Successfully Screened - Determined to be in business at worksite with a least 3 employees.

² Unable To Locate - Worksite could not be found through telephone directory, telephone information and internet searches.

³ Not Eligible - Confirmed out of business, having 2 or fewer employees, or merged with another business.

⁴ Screening Refusal - People at worksite refused to answer any questions.

⁵ Screening Limit - Eligibility could not be determined after many attempts, usually because only voicemail could ever be reached.

The results of the screening effort were considered quite successful. A total of 203 of the 1,940 employers (10.5 %) could not be reached to determine eligibility due to refusing or simply being impossible to talk to a human. This was a bit higher than the 9.6% rate from 2007, but lower than the 11.0% rate from the 2005 study. All these employers were considered as eligible since no confirmation could ever be obtained. A total of 93 employers were confirmed as ineligible while 1,480 were confirmed eligible. Finally, the 164 employers who could not be located were declared ineligible. It was felt that as business worksites, if they could not be located through exhaustive telephone and Internet searches, they must no longer be an operational worksite. This rate of 8.5% (164/1,940) is substantially higher than the comparable rate of 5.8% from 2007. It further demonstrates that the recession was forcing many worksites out of business during our screening period.

A second goal of the screening process was to obtain the exact name and mailing address of the specific person who would be most knowledgeable at the worksite for answering health insurance questions. Table 3 gives the results of this effort.

Table 3:
Results of Obtaining Contact Information

Stratum	Successfully Screened Eligible	Not Screened But Considered Eligible	Contact Information Obtained	Success Rate ¹
3-10 employees	443	111	353	79.6%
11-24 employees	258	18	235	91.1%
25-50 employees	271	21	247	91.1%
51-249 employees	295	31	263	89.2%
250 or more employees	213	22	194	91.1%
Total	1,480	203	1,292	87.3%

¹ Success Rate - This is the rate for which those successfully screened as eligible also gave out contact information. It is obvious that contact information could not be obtained from the 203 employers who were assumed eligible but not successfully screened.

The success rates were comparable to those of past years and considered very high. This enabled us to approach the mailing of survey materials with much more confidence.

The screening effort resulted in a total of 1,683 employers deemed eligible to become part of this survey. This was more than the 1,500 sample size that was sought. A random sub-sample of 1,567

employers out of the 1,683 was then selected to receive questionnaires. Table 4 shows the results of the data collection effort.

Table 4:
Results from Mailing Questionnaires

Stratum	Complete Mail Interviews	Complete Web Interviews	Not Eligible ¹	Refusals ²	Not Returned ³	Total Mailed	Response Rate ⁴
3-10 employees	241	21	58	19	197	536	54.81%
11-24 employees	138	10	12	5	92	257	60.41%
25-50 employees	114	15	11	16	101	257	52.44%
51-249 employees	117	28	11	31	123	310	48.50%
250 or more employees	87	22	3	22	73	207	53.43%
Total	697	96	95	93	586	1,567	53.87%

¹ Not Eligible - These are employers who could not be reached during screening but who later were found to be ineligible.

² Refusals - These are employers who mailed or called in to actively refuse to corporate.

³ Not Returned - These are employers who never refused but still never returned a questionnaire.

⁴ Response Rate - This is computed as (complete interviews) / (total mailed –not eligible).

The overall response rate of 53.87 % was considered quite successful, but not as successful as in past years. Past employer surveys from 2001 through 2005 attained response rates of slightly over 60%. For example, the 2005 Employer Survey attained a response rate of 63.08%.

In 2007, the response was just slightly higher at 55.26%. Going into the data collection phase of this study, we were acutely aware of two problems that existed. The first was the added length and complexity of the questionnaire. It is never easy to gauge when a questionnaire might become too long or cumbersome and therefore get less people willing to fill it out. All that is certain is that making a questionnaire longer or more difficult always runs that risk.

The second problem was just the general state of the economy and the current recession. We saw how the number of employers in Massachusetts declined both in the numbers contained within the Dun & Bradstreet database and in the number which could not be located during screening calls. This paints a picture of just how difficult it is currently for employers to simply stay afloat. Times like this are not the best to approach employers with requests that they feel are outside their core business needs.

For these reasons, a response rate that was almost equal to the 2007 rate has to be considered quite successful under the circumstances. The addition of a web option did most likely help in this regard. It is certainly not the case that each respondent who completed a web survey would not have sent back a mail questionnaire if the web was not an option. However, some percentage of those people would not have responded at all. In this way, the web option did certainly raise response rates and help keep those rates near the rates of 2007.

It is never easy to get people in business to respond to surveys. The combined effects of screening to identify the best person to mail to, having a web option along with the \$10 gratuity paid in advance was considered instrumental to success. Response rates across strata were fairly consistent. Employers with 51-249 employees had the lowest response rate of 48.5 % while employers with 11-24 employees had the highest response rate of 60.41%. All others were around 53%

As stated earlier, due to differential rates of selection for the sample across strata and, now in addition, differential response rates, it is important to weight survey data for analysis when combining strata. Table 5 gives the appropriate valued weights that take into account both the different probabilities of selection and the different response rates.

Table 5:
Survey Weights

Stratum	Weight
3 - 10 employees	274.9942
11-24 employees	117.6805
25 – 50 employees	87.0381
51 - 249 employees	46.8037
250 or more employees	9.0049

These weights are included on all data files.

The final result that should be discussed is for information gained from the reminder telephone calls that prompted people to return their questionnaire. As stated earlier, during this call respondents were asked two questions, namely the size of the worksite and if health insurance was offered to employees. Table 6 shows results for obtaining this information.

Table 6:
Results Including Telephone Questions

Stratum	Total Eligible Sample	Mail and Web Questionnaires	Answered Phone Questions	Overall Response Rate ¹
3-10 employees	478	262	90	73.64%
11-24 employees	245	148	35	74.69%
25-50 employees	246	129	51	73.17%
51-249 employees	299	145	63	69.56%
250 or more employees	204	109	33	69.61%
Total	1,472	793	272	72.35%

¹ This rate is computed as (Mailed Questionnaires + Answered Phone Questions) / Total Eligible Sample.

From this table, it can be seen that for the most critical measure in the survey (i.e., whether an employer offers health insurance to employees), accurate information was obtained from 72.35 % of all sample employers. This is a higher percentage than the 63.4% obtained in 2007, but close to the survey results from 2001 through 2005 in which rates in the mid to upper 70's were obtained. It is important to point out that the percentage of employers offering health insurance computed solely from the mail questionnaires (75.9%) is quite close to the same percentage computed from answers to the phone reminder calls (70.8 %). These two estimates are not statistically different at the 95% level of confidence. This addresses the issue of potential survey non-response bias. In fact, the overall rate of offering insurance becomes 74.6% instead of 75.9% if both the mail and telephone responses are taken into account. This is a very small difference of just over one percentage point. It points to the stability of the estimates and that non-respondents, in general, would not be expected to differ by very much from respondents.

Summary

Overall, this survey went very well. Respondents within businesses do not usually make up a cooperative set of people. The subject matter seemed to be of immediate interest to respondents, while paying \$10 in advance obviously had an impact as well. As stated earlier, the addition of a web option for respondents also had an impact. Together, these efforts led to almost 54% of all eligible employers responding, with information on whether or not health insurance is offered to

employees being obtained from over 63% of all eligible employers. This information can now be compared to the 2001, 2003, 2005 and 2007 surveys for a picture of how employer offered health insurance is changing over time, although the adjustment from two to three employees for the smallest employers included should be kept in mind.

Acknowledgments

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List of Attachments

1. Introduction letter from CSR mailed to respondents.
2. Letter from DHCP mailed to respondents.

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